

~~SECRET~~

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #00400-87/1
29 January 1987

MEMORANDUM FOR: Distribution

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: East Asia Warning and Forecast Meeting - 21 January 1987

1. Attached is my report to the DCI based on our meeting held on 21 January 1987. Please let me know if there are any significant amendments, additions, or corrections.

2. Next month's Warning and Forecast Meeting will be held Wednesday, 18 February 1987 at 1400 hours in Room 7E62, CIA Headquarters. Recommendations for discussion/warning topics should be forwarded to this office by COB 9 February 1987.

3. It is essential that you telephone your attendance intentions to [redacted] and have your clearances verified to us by your security office by NOON, 17 February 1987. Attendees from outside agencies are advised to arrive early to avoid parking problems created by construction work. Please enter the compound through Gate 1, the Route 123 entrance.

STAT


Carl W. Ford, Jr.

Attachment

21 January 1987 Warning Report

CL BY SIGNER
DECL OADR~~SECRET~~

25X1

SECRET [REDACTED]

25X1

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #00400-87
29 January 1987

MEMORANDUM FOR: Acting Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: 21 January 1987 East Asia Warning and Forecast Report

1. January's meeting discussed the implications of recent political developments in China. Four analysts, [REDACTED] (DDI/OEA), [REDACTED] (DIA), Carol Hamrin (State/INR), and [REDACTED] (NIC/AG) made brief presentations, and then the meeting was opened to discussion.

25X1
25X1

2. [REDACTED] stated that while all the facts are not in on what led to the downfall of Hu Yaobang, it is not likely that Deng was forced to do it. The student demonstrations were not the sole cause of Hu's removal, but several factors which developed over time caused Deng to take action. The overall effect is to strengthen conservative forces in the Party. We should anticipate that, in spite of Chinese assurances, the reforms will slow, intellectuals will be on the retreat, and other leadership changes will be made. The most important immediate question the Party will face is the selection of a Premier to replace Zhao Ziyang.

25X1

3. [REDACTED] emphasized the crucial role of Deng in the process. Hu clearly went beyond what was acceptable to Deng and got in trouble. Deng is certainly not an extremist liberal reformist, as these events clearly indicate. The incident reveals the shift of the political spectrum over the past two decades. In the 1960s Deng was considered to be among the more liberal elements of the party, and now he is clearly representative of the more conservative elements. The downfall of Hu has serious implications for the Party. Party leaders believe strongly that ideas advocated by demonstrating students were corrosive of party authority. Many students, and perhaps others, are alienated from the Party; these recent moves will make it difficult for the Party to reclaim their loyalty. Zhao's importance has

25X1

CL BY SIGNER
DECL OADR

SECRET [REDACTED]

25X1

SECRET [REDACTED]

25X1

become central. In many respects he is like Zhou Enlai, able to shift with the winds. If he is unable to continue to push for reform, then those potential successors who favor reform will also become vulnerable to pressure. We should also anticipate that some of Hu's supporters within the Party will be replaced.

4. Carol Hamrin stated that there were two ways to view these developments. The optimistic view is that Hu and the reform agenda are separable, that Hu was sacrificed to save the reforms, and that the reforms can survive. The more pessimistic view, which she holds, is that Hu was strongly linked with the reforms and that his removal bodes ill for the reforms themselves. Hu has consistently been Deng's point man on the reforms; his removal eliminates a significant force pushing the reforms. The reasons Deng acted are still uncertain, but perhaps Hu was pushing too strongly on political reform. Whatever the reasons, Hu's removal now opens the reform agenda to a serious challenge. It will take a miracle for Deng to get the reforms back on track. Besides the likely removal of other key officials, Hu's purge has serious foreign policy implications. Hong Kong will be unnerved by these events; Taiwan is making political capital. Both the United States and the Soviet Union will have to reconsider China's likely future course.

5. [REDACTED] stated that the purge of Hu indicates we need to reexamine our assumptions about how Chinese politics work. We all assumed that the succession to Deng was fairly well planned, though we disagreed about precisely why Hu would be the successor. Labeling people "conservatives" or "reformers," or simply looking at interpersonal loyalty networks is obviously insufficient. We need to make a greater effort to understand how issues, personalities, and other factors combine to affect political decisions. We also must take into account the importance of ideology in political decisions, something which has been neglected. The strong attacks on "bourgeois liberalism" and the attacks on intellectuals for their ideological views reveal that matters of faith are at stake. Ultimately, the party's appeal for authority and legitimacy hinges on its claim to historical truth, as well as its ability to deliver the goods.

25X1

6. The following main points were raised in the general discussion:

- The reforms may not be as deeply imbedded as we had thought; if their continuation depends on the personalities identified with them, they may be in trouble.
- The whole political succession issue in China is now called into question. Not only has Deng's intended successor now fallen, but the third echelon successors--Li Peng, Hu Qili and others--have become somewhat vulnerable.
- There was disagreement over the role Hu's personality played in his downfall; in the view of some participants, his seemingly flippant behavior gave the impression that he was unqualified. Others, however, argued that Hu's misstatements and behavior had been controversial before but that Deng had steadily supported him.

SECRET [REDACTED]

25X1

SECRET

25X1

- Perhaps there is a three-year cycle in Chinese politics. About three years ago we witnessed the "spiritual pollution" campaign which appeared to set back political reform. For a while the reformers will push hard, then there will be a counterpush by their opponents, leading eventually to another push for reform.
- The "conservative" upsurge may be a reflection of Chinese perceptions that economic difficulties are serious and that political control must be forcefully reasserted.

Warning Implications

Participants were generally agreed that there will be further leadership changes, and that until these are accomplished over the next few months, it will be difficult to sort out the general trends. There was also broad agreement that we are likely to see a new period of some instability while China again tries to resolve its leadership succession problem. Also, the reforms are likely to slow, perhaps greatly. Finally, in spite of Chinese assurances to the contrary, the purge of Hu will have some consequences for Chinese foreign policy, particularly in affecting China's appeal to Hong Kong and Taiwan.



Carl W. Ford, Jr.

SECRET

25X1

SECRET

25X1

21 January 1987 East Asia Warning and Forecast Meeting

Attendees

NAMECIA

Carl Ford

NIO/EA
 ANIO/EA
 NIC/AG
 NIO/W
 ICS/HCS
 FBIS/AG/CTWD
 FBIS/AG
 OEA/China
 DO/EA
 DO/EA
 DO/EA
 OEA/CH/
 OEA/CH/
 FBIS/NEAD/CB
 FBIS/DRO-China DR
 FBIS/NEAD/CB

25X1

25X1
25X1

25X1

OTHER

Chris Madison
 Bill Belk
 Scott Slaybecker

Carol Hamrin

NSA
 Army/OACSI
 AF/INER
 Navy/OP009Y
 DIA/DE-2
 State/INR
 NSA
 NSA
 NSA
 NSA
 NSA
 Army/ITAC
 Army/ITAC
 DIA/DB-2B5
 AF/AFIS/INOL
 AF/INER
 DIA/DE-2
 DIA/DX-5
 NSC
 DIA/DE-2

25X1

25X1

25X1

Reginald P. Avery
 Mary Hickinbotham

Mark Roth
 Betty Price

Jay R. Watkins

25X1

25X1

25X1

SECRET

25X1